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Date: 13 Apr 1977 By [redacted]

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

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COUNTRY Korea

DATE

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SUBJECT Economic Information: Food Conditions in North Korea; Commodity Prices in Pyongyang

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SUPPLEMENT

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1. Compared with that of March 1947, the present food situation in northwest Korea is much worse. No cases of actual starvation are known, but there definitely are many people who eat only one meal of corn-meal every two days. The number of refugees fleeing to South Korea and Manchuria is increasing daily. The destination of most of these refugees is South Korea rather than Manchuria because of the preference of Koreans to be in their own country and because of the stringent border controls of both sides of the Manchurian-Korean border which make it difficult to enter Manchuria.

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2. Farmers are dissatisfied because there is a lack of seeds for planting. Many farmers believed that the government would furnish them seeds this spring and consequently sold all their farm products through the fall and winter of 1946. Up to the present time no seeds have been provided by the government and many farmers are abandoning their land and attempting to go to South Korea. Farmers who obtained poor land in the land reformation are now leaving their farms. The farmers, however, are not taking any action against government officials nor is their dissatisfaction being expressed in any outward disapproval of their government.

[redacted] 3. Korean officials are operating rice distribution centers at several stores in Pyongyang (Heijo) (125-44, 39-01) where any individual may purchase rice as long as the supply lasts. People line up from morning to night to purchase the rice. It is sold at 1300 Won per Tu (30 chin) (about 40 pounds), which is 100 Won cheaper than the local open market price; however, rice on the open market is of much better quality. According to Pyongyang residents, the distribution centers have been open for about one month, but they have been closed from time to time during the month when supplies were depleted. Pyongyang is the only city in which rice distribution centers operated by Korean government officials are established. [redacted] Note: An accurate evaluation of the North Korean Won is not available to this headquarters; however, rumor places the exchange rate between North and South Korean Won at 1:5 and the rate between South Korean Won and U.S. dollars at 60:1, black market, 350:1)

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4. An attempt to ration sugar is being made in North Korea. Sugar distribution centers have been opened in Pyongyang and Sinuiju (Shingishu) (124-24, 40-06). Ration tickets have been issued to district leaders

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in Sinuiju and Pyongyang by the Consumers Association. The district leader then issues the tickets to the people in his district. Each ticket is good for one chin (one and one-third pounds) of sugar, which can be purchased for 75 Won at the stores designated as distribution points. Regular market price is 150 Won per chin. Sugar sold at the distribution centers is of much higher quality than that sold on the open market even though the price is much less. The first tickets in the Sinuiju area were issued about the middle of April. Up to the first of May tickets had been issued only once. Public opinion indicates that tickets will soon be issued in other cities of North Pyongan Province. A business of buying and selling sugar tickets has developed in Sinuiju. Price of the tickets runs from 100 to 130 Won. It is not unlawful to dispose of the sugar tickets on the open market and many families who prefer a more staple commodity have sold their tickets. Sugar is not particularly scarce in North Korea at present, partly because Koreans do not use much sugar, and the reason for attempting to control the distribution of sugar at the present time is unknown. It may be the intention of the North Korean Government to try to develop a satisfactory system of controlling the distribution of sugar and then extend that system to other commodities, such as cornmeal and rice, and the government may believe that if difficulties encountered in the rationing of sugar can be solved, extension of the rationing or distribution control of other commodities can be facilitated.

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5. Commodity prices in Pyongyang:

Bean cake	Piece	700 Won
Soy beans	one Tu	900
Rice	" "	1400
Cornmeal	" "	1100
Cotton cloth	Roll (40 Yds)	14000
Pork	One Chin	70
Beef	" "	90
Salt	" Tu	900
Sugar	" Chin	150
White wine	One Sung (1.8 liters)	500
Cigarettes (good quality)	Pack	40
Rubber shoes	Pair	450
Cotton socks	"	70
Korean silk	40 Shaku (1 shaku equals .33140 yards)	4000
Tires	Each	25000

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6. In Chinnampo (125-24, 38-44), sea food, including oysters, fish and shrimp, is plentiful and inexpensive. Fish sell for 40 Won per chin in the local market.

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